
To: All Rental Housing Tax Credit Recipients

Notice: MFD-10-04

From: IHCDA Multi Family Department

Date: February 1, 2010

Re: **Common 2009 Physical Inspection Non-Compliance Issues**

As a service to Owners and Management Companies of Section 42 Developments, IHCDA is providing a list of the most common physical inspection non-compliance issues identified during the 2009 Monitoring Year. The list includes findings identified in the third party periodic inspection reports and IHCDA Pre-8609 inspection reports. Historically, physical non-compliance issues have been the most common reason for the issuance of IRS Form 8823. Hopefully, the information provided on this list will help prevent future physical non-compliance.

During the 2009 IHCDA physical inspection year, the following non-compliance issues were the most commonly cited by Criterium VanMarter Engineers:

- Water heater safety valve piping missing
- Shrub/tree growth touching buildings/roofs
- Missing storm drainage downspouts
- Missing /damaged AC condensing units
- Blocked electrical panels
- Blocked emergency Exits
- Entry doors rusted
- Missing/discharged fire extinguishers
- Vegetation growing out of storm drainage gutters
- Fogged thermo pane windows
- Unfinished drywall patches
- Missing/broken drawer facings & cabinet doors
- Furnace filters missing/plugged
- Frayed/worn carpeting
- Clothes dryer vent covers broken/missing/plugged with lint
- Inoperable bath exhaust fans
- Missing/broken towel bars/toilet tissue holders
- Damaged doors
- Inoperable electrical GFCI outlet receptacles
- Vinyl siding damaged
- Missing broken light fixture globes/covers

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- Missing fire extinguishers
- Slow drains
- Smoke detectors missing or missing batteries
- Inoperable emergency lights
- Missing/damaged windows & window screens
- Expired inspection tags on fire extinguishers
- Drives/parking areas in need of seal-coating/stripping/repairs
- Flaking paint
- Loose stairway/balcony railing
- Range hood filters dirty/missing
- Mold/mildew present
- Inoperable fire alarm panels
- Deteriorated floor coverings
- Drywall damage
- Sealant/caulking needed in bathrooms & kitchens
- Missing/broken electrical outlet cover-plates
- Loose plumbing fixtures
- Inoperable/malfunctioning appliances
- Water damage
- Water/plumbing leaks

During the 2009 IHEDA Pre-8609 physical inspection year, the following non-compliance issues were the most commonly cited:

- Fire rated doors propped open or would not fully close & latch
- Electrical outlets testing in excess of 5% Voltage drop
- Non Energy Star rated appliances installed, when identified in applications as Energy Star rated
- Water heater safety valve piping indirectly connecting to a source of contamination
- Screws installed in the clothes dryer exhaust ducts
- Clothes dryer vents clogged with lint
- Damaged clothes dryer vent back-draft dampers
- Missing smoke detectors
- Inoperable smoke detectors
- Batteries missing from smoke detectors
- Loose/worn out electrical contacts in electrical outlet receptacles
- Smoke detector dust/construction covers not removed after construction completed
- Bathroom moisture exhaust fans inoperable and/or disconnected
- Electrical panels working clearances/clear floor space with storage in front of panel
- Inoperable emergency lights
- Materials in plenums exceeding flame spread & smoke developed ratings
- Electrical GFCI receptacles would not trip when tested
- Improper storage of gasoline and gasoline powered equipment
- Improper water heater safety valve discharge piping
- Loose/worn out electrical switches
- Unique features and amenities not provided, when identified in applications
- Purge piping, from water softeners connecting to sources of contamination
- No back-flow protection on faucets with hose threads and outside spigots
- Improper materials for clothes dryer vents/ducts/flex connectors (PVC)



***** During 2009, complaint inspections revealed vacant/boarded-up/uninhabitable units and buildings, where they were not reported to IHCD as required**

***** During 2009, many unreported casualty losses received non-compliant 8823s for NOT reporting the occurrences within the 10-day requirement**

According to IRS Section 42 rules, units must be maintained in a habitable condition and in a rent ready state. If the owner or management company determines that a unit, building, or an entire development is not in compliance with the RHTC program requirements, IHCD should be notified immediately and a plan formulated, in writing, to bring the development back into compliance. Vacant Units boarded up to prevent looting/break-ins are required to be habitable and rent ready as well. Units that are not habitable are also required to be reported on the Owner Certifications as such.

